KOBAYASHI GROUP Pauahi Towers, Suite 1570 1001 Bishop Street Honolulu, HI 96813 December 4, 2001

Sports Shinko Hawaii 175 Paokalani Street Honolulu, HI 96815

Gentlemen:

Recently, we heard that your company might be interested selling some or all of your Hawaii assets. Our company, the Kobayashi Group, is interested in the possibility of purchasing your hotels, golf courses and development lands. We have been actively pursuing the purchase of resort type properties for several years and have a team, including a strong financial entity, that have been working with us during this time.

The principals of our company began their business as a construction company (Albert C. Kobayashi, Inc.) and have branched out into real estate development beginning with their equity involvement with housing projects such as Westloch (1,400 homes). Some of our development projects include the Kapolei State Office building, Kapolei Middle School, Kapolei High School and Napilihau (Maui multifamily condominiums). We are currently in the planning stage of a housing project in Kapolei Villages with the first phase involving approximately 200 homes.

Our searches for investment properties have also taken us to Japan. Over the past several years, we have taken about seven or eight trips to Japan to discuss the possibility of acquiring properties both here in Hawaii and in Japan.

We are seriously interested in the purchase of your Hawaii assets and would appreciate it if we can obtain financial and factual information on the properties. If we can obtain these materials, we would also like your permission to open discussions with your attorney and accountants to make the inquires necessary to draft a formal offer.

Again, we are serious buyers and hope that your will react favorably to our request. If you have any question or comments, please feel free to call me at 535-2131.

Sincerely,

Wayne Tanigawa

Chief Financial Officer

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IN THE CIRCUIT COURT OF THE FIRST CIRCUIT
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  2
                            STATE OF HAWAII
  3
      SPORTS SHINKO (USA) CO., LTD., a Delaware
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  5
      Corporation; SPORTS SHINKO (MILILANI)
      CO., LTD., a Hawaii corporation, et al.,
  6
  7
                 Plaintiff,
  8
           vs.
                           Case No. 02-1-2766-11 (EEH)
      RESORT MANAGEMENT SERVICES
  9
 10
      (HAWAII), INC., a Hawaii corporation,
      YASUO NISHIDA, SATOSHI KINOSHITA, et al.
11
12
                Defendants.
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15
                   DEPOSITION OF SATOSHI KINOSHITA
16
                             (Volume III)
17
     Taken on behalf of the Plaintiff at Alston Hunt Floyd &
18
     Ing, 1001 Bishop St., ASB Tower, 18th Floor, Honolulu,
19
     Hawaii 96813, commencing at 9:00 a.m., Thursday, April
20
21
     21, 2005, pursuant to Notice.
22
23
               BARBARA ACOBA, CSR No. 412, RPR
     BEFORE:
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               Notary Public, State of Hawaii
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       APPEARANCES:
       For Plaintiff: GLENN MELCHINGER, Esq.
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  3
                            ALSTON HUNT FLOYD & ING
  4
                            ASB Tower
  5
                            1001 Bishop St., 18th Floor
  6
                           Honolulu, Hawaii 96813
  7
      For Defendant SATOSHI KINOSHITA:
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  9
                           JOHN KOMEIJI, Esq.
 10
                           WATANABE ING KAWASHIMA & KOMEIJI
 11
                           First Hawaiian Center
 12
                           999 Bishop St., 23rd Floor
 13
                           Honolulu, Hawaii 96813
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16
      Also Present: STEVEN SILVER - Interpreter
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2.0
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why did you write this?
 1
 2
               I'm pretty sure that here I was responding to
          Α.
      questions that I had received from the president
 3
      regarding three items: The formal name of the
 4
      management company, the names and titles of the
 5
      officers, and the address of the management company.
 6
 7
               Did the president tell you why he needed this
     information?
 8
         Α.
 9
               No.
               MR. MELCHINGER: Call that 50.
10
              (Exhibit 50 marked for identification.)
11
     BY MR. MELCHINGER:
12
              I'm showing you what's been marked Exhibit 50
13
14
     to your deposition. Can you tell me whether you've seen
15
     that document before?
16
         Α.
              Yes.
17
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- Q. So you remember seeing this on or about December 4th, 2001; is that right?
 - A. Yes.

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- Q. It's not addressed to any person in particular. Did this come to you at this address, the 175 Paoakalani Street?
- A. Yes. I was the only person that was working at Sports Shinko Hawaii and so I was the person who would check all the mail.

Q. Okay. And did you send this to somebody afterwards when you got it?

MR. KOMEIJI: Same objection regarding relevancy and not reasonably calculated to lead to discovery of admissible evidence.

THE WITNESS: I sent this to the president through Mr. Fukuda as well.

BY MR. MELCHINGER:

- Q. Did you receive a response or an instruction or something from the president after you sent this?
- A. No. I was initially told to just leave it as is.
 - MR. MELCHINGER: Mark that Exhibit 51, please.

 (Exhibit 51 marked for identification.)

15 BY MR. MELCHINGER:

- Q. This is an e-mail that came out of, and I'll make this representation, the McCorriston files produced pursuant to subpoena in the bankruptcy court and I'd like you to look below on the bottom half of this and it refers to a telephone conference between you, Dr. Kinoshita, and Mr. Pothul. And I want to ask, after you've had a chance to review this document, whether you recall having that conversation.
 - A. Yes.
 - Q. Did you tell Mr. Pothul, based on instructions

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from your father, to hold on marketing the golf courses;
 1
 2
     is that right?
 3
         Α.
               Yes. Of course.
                                 I did convey those
     instructions from the president.
 4
         0.
               Did the president tell you why he wanted
 5
     Colliers to stop marketing the golf courses for some
 6
 7
     period of time?
 8
         Α.
              No.
 9
         ٥.
              Did you hear any other person tell you why, did
     Mr. Fukuda talk to you about why the marketing for the
10
     golf courses should be stopped, for example?
11
              I heard from Mr. Fukuda that the president was
12
     extremely displeased with Colliers because they had not
13
14
     sent him any offers that he was satisfied with.
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- Q. Was the president scheduled to come and visit Hawaii in early December, in around the time you received the KG Holdings letter that is Exhibit 50?
 - A. No, I don't believe so.

MR. MELCHINGER: Let's mark that 52.

(Exhibit 52 marked for identification.)

21 BY MR. MELCHINGER:

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- Q. Showing you what's been marked Exhibit 52 to your deposition. Do you remember seeing this document before?
- A. I don't recall.

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                        CERTIFICATE
      STATE OF HAWAII
  2
      CITY AND COUNTY OF HONOLULU
  3
                I, BARBARA ACOBA, Certified Shorthand
      Reporter and Notary Public, State of Hawaii, do
  5
      hereby certify:
  6
                That on Thursday, April 21, 2005, at
  8
      9:00 a.m., appeared before me SATOSHI KINOSHITA, the
      witness whose deposition is contained herein; that
      prior to being examined he was by me duly sworn;
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11
                That the deposition was taken down by me
      in machine shorthand and was thereafter reduced to
12
13
      typewriting under my supervision; that the foregoing
      represents, to the best of my ability, a true and
14
15
      correct transcript of the proceedings had in the
.16
      foregoing matter.
17
                I further certify that I am not an attorney
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     for any of the parties hereto, nor in any way concerned
     with the cause.
19
20
               Dated this 30th day of April, 2005,
21
     in Honolulu, Hawaii.
22
23
                          BARBARA ACOBA, CSR NO. 412
24
                          Notary Public, State of Hawaii
25
                          My Commission Exp: 10-22-2008
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